

**MONTGOMERY COUNTY COMMUNITY
IMPROVEMENT CORPORATION
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2001**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Montgomery County Community Improvement Corporation

We have reviewed the Independent Auditor's Report of the Montgomery County Community Improvement Corporation, Montgomery County, prepared by Battelle & Battelle LLP for the audit period January 1, 2001 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Montgomery County Community Improvement Corporation is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

April 8, 2002

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Montgomery County Community
Improvement Corporation
Dayton, Ohio

We have audited the balance sheet of the Montgomery County Community Improvement Corporation as of December 31, 2001 and 2000, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Montgomery County Community Improvement Corporation as of December 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2002 on our consideration of Montgomery County Community Improvement Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Battelle & Battelle LLP

February 25, 2002

**MONTGOMERY COUNTY COMMUNITY
IMPROVEMENT CORPORATION
BALANCE SHEET**

	<i>December 31</i>	
A S S E T S	<i>2001</i>	<i>2000</i>
CURRENT ASSETS		
Cash	50,628	51,218
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted	50,628	51,218
Total liabilities and net assets	50,628	51,218

The accompanying notes are an integral part of the financial statements.

**MONTGOMERY COUNTY COMMUNITY
IMPROVEMENT CORPORATION
STATEMENTS OF ACTIVITIES**

	<i>Year Ended December 31</i>	
	<u>2001</u>	<u>2000</u>
REVENUES		
Bond fees	-	100
Interest income	1,214	2,924
Total revenues	<u>1,214</u>	<u>3,024</u>
EXPENSES		
Administrative expenses	1,804	1,475
Total expenses	<u>1,804</u>	<u>1,475</u>
CHANGE IN UNRESTRICTED NET ASSETS	(590)	1,549
NET ASSETS, beginning of year	<u>51,218</u>	<u>49,669</u>
NET ASSETS, end of year	<u><u>50,628</u></u>	<u><u>51,218</u></u>

The accompanying notes are an integral part of the financial statements.

**MONTGOMERY COUNTY COMMUNITY
IMPROVEMENT CORPORATION
STATEMENT OF CASH FLOWS**

	<i>Year Ended December 31</i>	
	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(590)	1,549
Decrease in cash arising from change in contributions payable	-	(75,000)
Net cash used in operating activities	<u>(590)</u>	<u>(73,451)</u>
 CASH, BEGINNING OF YEAR	 <u>51,218</u>	 <u>124,669</u>
 CASH, END OF YEAR	 <u><u>50,628</u></u>	 <u><u>51,218</u></u>

The accompanying notes are an integral part of the financial statements.

**MONTGOMERY COUNTY COMMUNITY
IMPROVEMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Montgomery County Community Improvement Corporation was formed for the purpose of advancing, encouraging, and promoting the industrial, economic, commercial and civic development of a community or an area.

Method of Accounting

The Corporation prepares financial statements on the accrual method of accounting in conformity with accounting principles generally accepted in the United States of America.

Tax Exempt

The Corporation is exempt from federal income tax under Section 501(c) (4) of the Internal Revenue Code; thus no provision has been made for income taxes.

Unrestricted Net Assets

Unrestricted net assets represent resources that are available to support the Corporation's operations.

NOTE 2 - CONTRIBUTIONS PAYABLE

The Corporation had committed \$75,000 of available funds for the Dayton Regional Development Alliance's (Alliance) marketing plan. During July 2000, the Corporation paid \$75,000 to the Alliance for the Alliance's use in the enhancement and key word registration of Alliance's website.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Montgomery County Community
Improvement Corporation
Dayton, Ohio

We have audited the financial statements of Montgomery County Community Improvement Corporation as of and for the year ended December 31, 2001, and have issued our report thereon dated February 25, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Montgomery County Community Improvement Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Montgomery County Community Improvement Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management and the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

February 25, 2002

Battelle & Battelle LLP



STATE OF OHIO
OFFICE OF THE AUDITOR

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MONTGOMERY COUNTY COMMUNITY IMPROVEMENT CORPORATION

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
APRIL 18, 2002**